

## Message Text

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PAGE 01 STATE 047475  
ORIGIN EB-08

INFO OCT-01 CIAE-00 COME-00 DODE-00 NSAE-00 USIA-06 TRSE-00  
EUR-12 ERDA-05 ISO-00 L-03 H-01 SIG-01 IO-13 EA-07  
STR-04 ITC-01 /062 R

DRAFTED BY EB/ITP/EWT - HCLARKE:JAS  
APPROVED BY EB/ITP/EWT - HKOPP  
EUR/EE - CSCHMIDT  
EB/ITP/TA - RWHITE  
EB/ITP/STA - JSPIRO  
L/EB - SBENSON  
H - PSTAHNKE  
TREASURY - PSUCHMAN

-----041321Z 018186 /50

R 032049Z MAR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BUCHAREST  
INFO AMEMBASSY BERLIN  
AMEMBASSY BUDAPEST  
USMISSION GENEVA  
AMCONSUL HONG KONG  
AMEMBASSY MOSCOW  
USLO PEKING  
AMEMBASSY PRAGUE  
AMEMBASSY SOFIA  
AMEMBASSY WARSAW

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EXCON

E.O. 11652: N/A

TAGS: EEWT, ETRD, XH, CH

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PAGE 02 STATE 047475

SUBJECT: COUNTERVAILING DUTIES FOR NONMARKET ECONOMIES

REF: BUCHAREST 1292; STATE 040671 (BOTH NOTAL)

1. TREASURY AND STATE ARE CONSIDERING VARIOUS APPROACHES  
TO THE PROBLEM POSED IN INVESTIGATING SUBSIDIES AND ASSES-  
SING COUNTERVAILING DUTIES (CVD) ON IMPORTS FROM NONMARKET

ECONOMY (NME) COUNTRIES. NONE OF THE ALTERNATIVES IS WITHOUT DISADVANTAGES, AND WE DO NOT EXPECT A QUICK DECISION.

2. DISCUSSIONS WITH THE POLISH DELEGATION DESCRIBED STATE 040671 WERE LIMITED TO THE IMMEDIATE QUESTION: HOW TREASURY CAN BEST IMPLEMENT THE CVD LAW AS IT NOW STANDS, INCLUDING ISSUING REGULATIONS ON CVD INVESTIGATIONS (SEE TRADE ACT SECTION 331).

3. OFFICIALS OF THE NEW ADMINISTRATION HAVE NOT HAD AN OPPORTUNITY TO CONSIDER LEGISLATIVE OPTIONS, AND WE DO NOT WISH TO RAISE SUCH OPTIONS WITH CONGRESS OR WITH FOREIGN GOVERNMENTS UNTIL THEY HAVE HAD A CHANCE TO DO SO. THE IMPLICATIONS ARE COMPLEX: FOR EXAMPLE, HANDLING NME DUMPING AND SUBSIDY CASES AS MARKET DISRUPTION CASES WOULD DISCRIMINATE AGAINST MARKET ECONOMIES UNLESS AN APPROPRIATE INJURY TEST WERE ADDED TO THE EXISTING CVD LAW. SUCH A CHANGE IS UNLIKELY UNLESS AN INTERNATIONAL SUBSIDIES CODE SATISFACTORY TO CONGRESS IS NEGOTIATED IN THE MTN. IN ADDITION, OTHER CHANGES WOULD BE NEEDED TO THE CVD AND ANTIDUMPING ACTS, INCLUDING DROPPING THE PROCEDURE CONGRESS PRESCRIBED IN 1974 FOR ANTIDUMPING INVESTIGATIONS OF EXPORTS OF STATE-CONTROLLED ECONOMIES (SEE TRADE ACT SECTION 321).

4. OVERSIGHT HEARINGS ON THE TRADE ACT ARE EXPECTED TO BEGIN IN APRIL IN THE HOUSE WAYS AND MEANS COMMITTEE, SUBCOMMITTEE ON INTERNATIONAL TRADE (CHARLES VANIK, CHAIRMAN). IT IS POSSIBLE THAT SOME OF THESE ISSUES WILL BE AIRED THEN.

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PAGE 03 STATE 047475

VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTIGATIONS, COUNTERVAILING DUTIES, SUBSIDIES  
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**Copy:** SINGLE  
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**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** HCLARKE:JAS  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770075-0395  
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**Legacy Key:** link1977/newtext/t19770395/aaaadgld.tel  
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**Litigation History:**  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 BUCHAREST 1292, 77 STATE 40671  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 3215965  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COUNTERVAILING DUTIES FOR NONMARKET ECONOMIES  
**TAGS:** EEWT, ETRD, XH, CH, US  
**To:** BUCHAREST  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009